

FOR INVESTMENT PROFESSIONALS ONLY

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## IMO Presentation

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QUILTER CHEVIOT

INVESTMENT MANAGEMENT

# Quilter Cheviot - Who We Are

- We are part of Old Mutual Wealth, a FTSE 100 company and leading wealth management business
- With a heritage that dates back to 1771, we take a modern approach underpinned with traditional values
- We employ over 500 people, including 165 investment professionals and manage in excess of €24.1 billion\* on behalf of our clients
- Our investment managers are based in 12 offices throughout Ireland and the UK
- We are regulated by the Financial Conduct Authority (FCA)
- Our clients include: private individuals, charities and pensions/ARFs

\* as at 31 December 2016



# Benefits Of Working With Quilter Cheviot Discretionary Fund Management

A strategic approach to using an outsourced Discretionary Fund Management solution can:

- **Enhance your effectiveness** by
  - allowing you to focus more time on developing your business
  - freeing time to focus on financial planning and client development
- **Reduce your business risk** by
  - making the DFM responsible and accountable for investment performance
  - establishing a clear DFM suitability responsibility for the investment solution
- **Provide you with access to specialist investment resource, research and expertise**



# What to Expect From a Good Discretionary Fund Manager

- Tailored solutions rather than 'off-the-shelf'
- You and your clients have direct access to the Investment Manager responsible for your clients' portfolios
- A clear approach to suitability
- Focus on investment management services, no conflicts with your business
- Provides unbiased access to the whole of global markets

# Why Self Directed?

- Many clients have a latent interest in their investment portfolio but incomplete understanding and require professional guidance. This curiosity is not satisfied by passive investing or by managed funds
- The internet is increasing client interest
- Self Directed is a real solution

## **Self Directed leads to better client relationships**

- Self directed prolongs client persistence longevity
- Clients appreciate higher levels of personal service, attention and contact

Tailored Solutions  
rather than  
'Off-the-Shelf'



# Superior Service, better client outcomes

- Daily on line access
- Physical quarterly reports and valuations
- Detailed explanations and analysis of performance
- Detailed discussions on investment outlook and investment risks

## **Availability of your Investment Manager**

- Investment manager access
- Twice yearly meetings
- Availability on telephone
- Limited number of clients per manager, time to deal with you on a personal basis

Access to  
Investment  
Manager



# Investment Risk

- We will help assess the client appetite for Investment Risk
- We have best in class portfolio risk analysis showing potential drawdown for a variety of strategies and asset allocations
- The resultant Portfolio is tailored to each individual client
- A clear approach to suitability

A Clear Approach  
to Suitability



# Active Portfolio Management

- Active Asset allocation
  - Cash, Bonds, Property, Equities and Alternative investments
- Active stock and fund Selection/deselection
  - Supported by a research team who actively review stock and fund performance and make forward looking recommendations

Focus on  
Investment  
Management





# Tailored Portfolios

- We will accommodate client personal and ethical screening of portfolio selection
- Will accommodate an investment style preference, e.g. growth or value investing
- Clients may have a reluctance to purchase armaments, tobacco, etc

Provides  
Unbiased Access

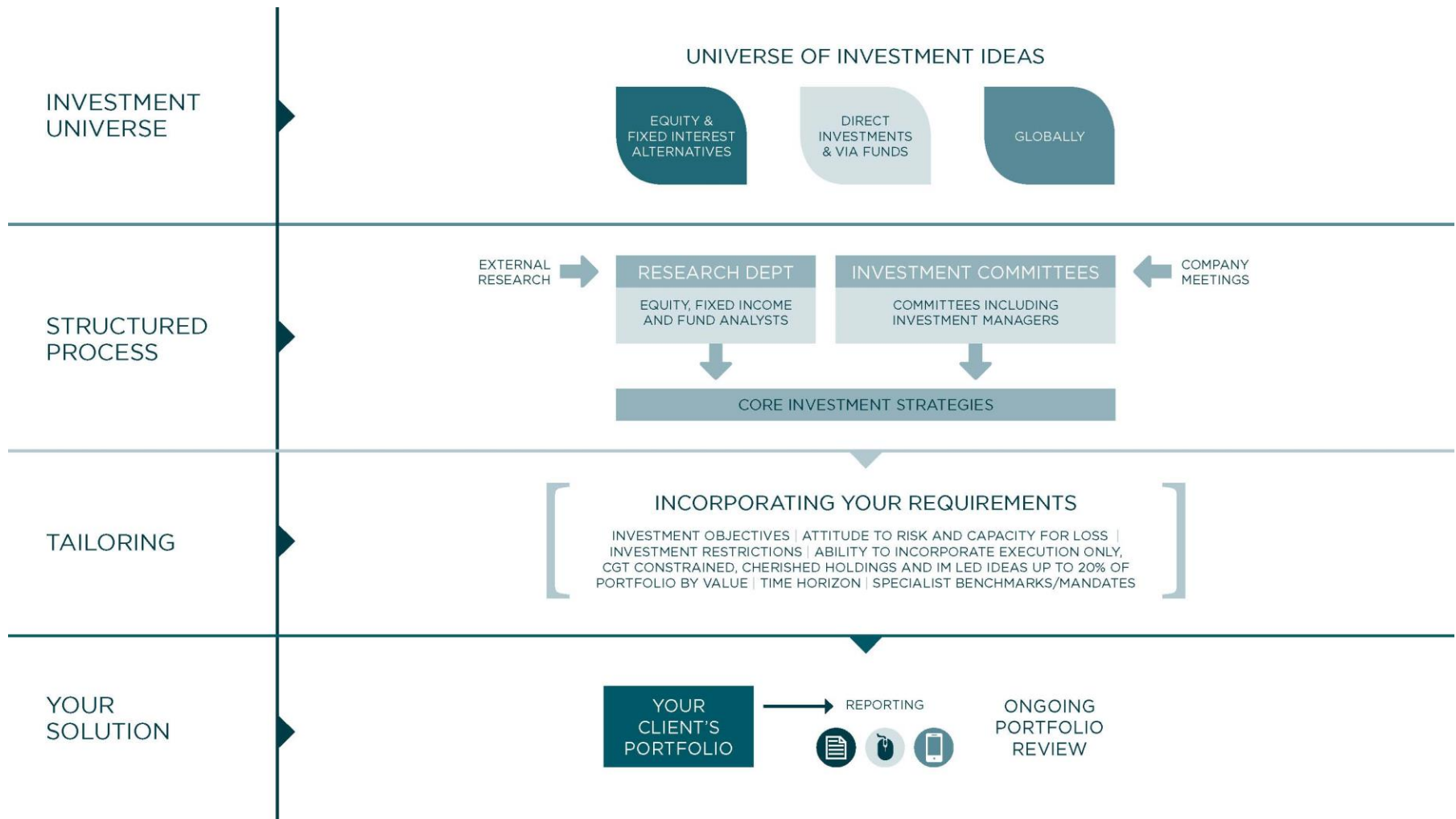


# Discretionary Portfolio Service

- Disciplined investment framework with flexibility of implementation



# Discretionary Portfolio Service



# Performance



# Asset risk consultants

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- Asset Risk Consultants (ARC) is an independent investment consultancy firm which provides impartial performance comparators for the financial services industry.
- Performance analysis is net of all charges.
- The full list of over 50 investment and asset management firms submitting client performance data to ARC's Euro Private Client Indexes (PCI) is available on request.
- Quilter Cheviot subscribes to the performance monitoring service provided by ARC
- The thirty nine month performance data provided in the following slides is representative of the returns experienced by Quilter Cheviot clients. The former Quilter business did not submit performance data to ARC until July 2013.
- The ARC 3D is an award provided by Asset Risk Consultants (ARC) which indicates that Quilter Cheviot has committed to ARC's Investment Manager Research Programme. Quilter Cheviot has provided ARC with all the necessary information and fulfilled ARC's 3D Criteria to complete the due diligence programme. The Criteria are satisfactory completion and maintenance of ARC's Due Diligence Questionnaire; provision of real client performance Data allowing ARC to observe the typical client experience; and a Demonstration of the quality of the people behind the investment philosophy and process. ARC's 3D Award is not a rating or an endorsement of the managers' suitability for a particular client, mandate, or introducer; instead it is a validation of Quilter Cheviot's commitment to transparency.

Source: Asset Risk Consultants PCI June 2017. [www.assetrisk.com/pci](http://www.assetrisk.com/pci)  
Past performance should not be seen as an indication of future performance



# Arc quartile rankings June 2017

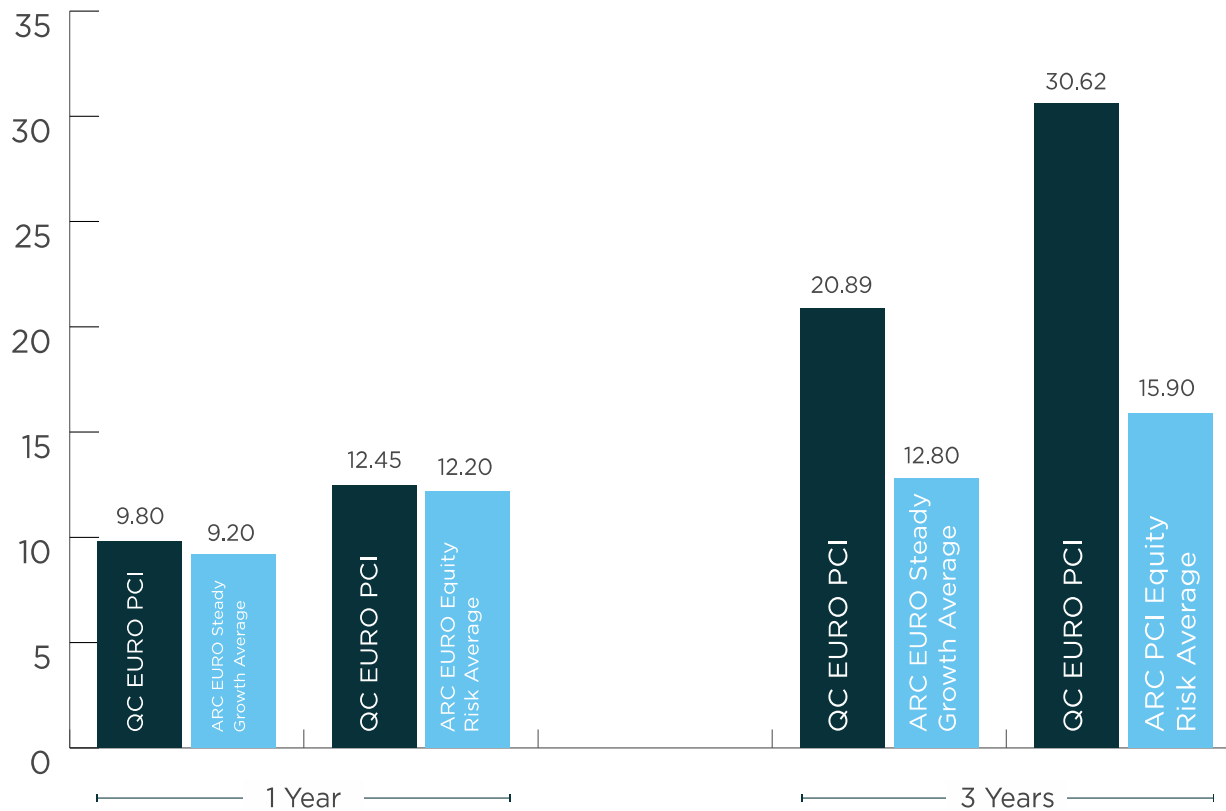
- Over 3 years, Quilter Cheviot Euro PCI delivered top quartile returns.

		Cumulative Return % 1 years	Cumulative Return % 3 years	Relative Risk v MSCI World 3 years
ARC PCI Euro Steady Growth	QC PCI	9.80	20.89	0.72
	1 <sup>st</sup> Quartile	10.12	19.06	0.59
	2 <sup>nd</sup> Quartile	9.54	14.10	0.62
	3 <sup>rd</sup> Quartile	8.24	12.09	0.66
ARC PCI Euro Equity Risk	QC PCI	12.45	30.62	0.94
	1 <sup>st</sup> Quartile	13.90	25.90	0.96
	2 <sup>nd</sup> Quartile	12.42	21.21	0.95
	3 <sup>rd</sup> Quartile	11.03	14.03	0.93

- Over 3 years, Quilter Cheviot Euro PCI delivered top quartile returns.

Source: Asset Risk Consultants PCI June 2017. [www.assetrisk.com/pci](http://www.assetrisk.com/pci)  
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# ARC cumulative returns June 2017



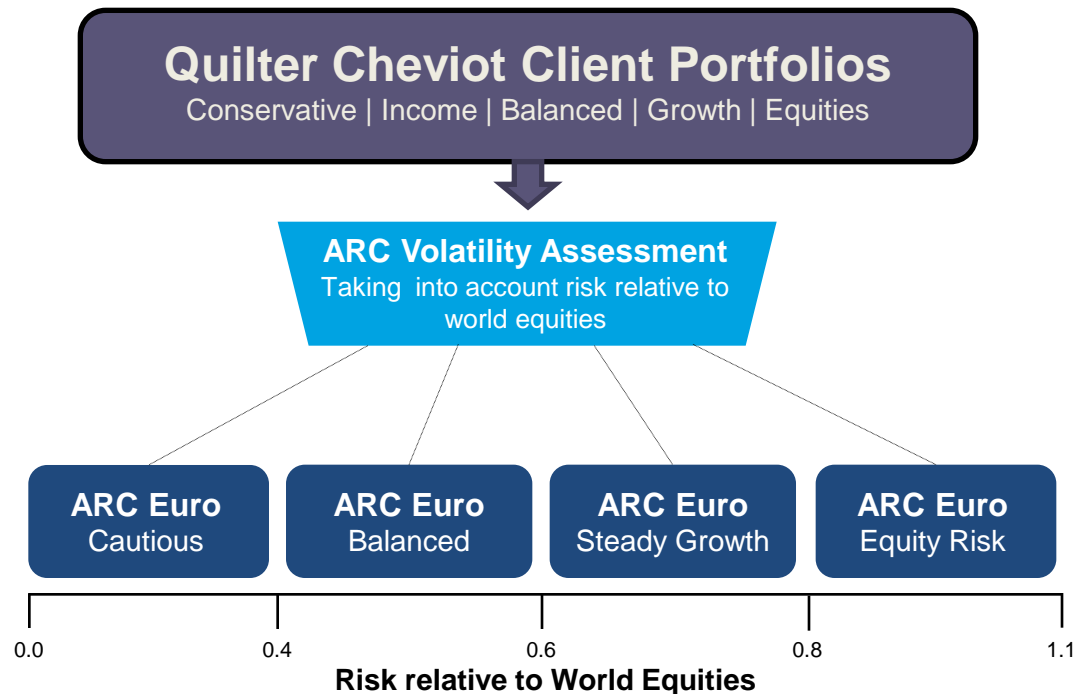
Source: Asset Risk Consultants PCI June 2017. [www.assetrisk.com/pci](http://www.assetrisk.com/pci)  
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# How portfolios are categorised

The ARC PCI category descriptions differ from those used by Quilter Cheviot.

ARC Equity Risk – QC Growth Portfolios  
ARC Steady Growth – QC Balanced Portfolios

- Quilter Cheviot submit thousands of anonymised client portfolios to ARC. Quilter Cheviot do not determine which ARC grouping those client portfolios sit in, that is determined by ARC based on volatility.
- For example, the ARC Balanced PCI could contain a number of different QC strategies and therefore the QC PCI could be drawn from Income, Defensive and Conservative.



Source: Asset Risk Consultants PCI June 2017. [www.assetrisk.com/pci](http://www.assetrisk.com/pci)  
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# Why Quilter Cheviot?

- We work in a flexible and innovative way to support your business
- We deliver a cost effective, outcome based, solution to your clients
- We have a robust and repeatable investment process that delivers consistent results
- We subscribe to independent performance monitoring

# Disclaimer

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